

MEMO

DATE: July 31, 2003
TO: Administration Committee and Regional Council
FROM: Bert Becker, Chief Financial Officer
(213) 236-1960, becker@scag.ca.gov
RE: Monthly Financial Report May 2003



Information Only

Summary: Monthly financial report for May 2003.

Background: This report contains financial data related to SCAG's cash flow, as well as budget and expense data for the eleven months of Fiscal Year (FY) 2002-03.

Cash Flow

During May 2003, the Association received Line of Credit advances of \$2,319,000 compared to \$2,215,500 in the prior year. At May 31, 2003, the LOC liability was \$2,319,000 compared to \$2,703,000 in the prior year, a decrease of \$384,000.

Attachment 1, "Cash Receipts & Disbursements", graphically illustrates the results of cash receipts and disbursements. During May 2003 there were \$6.5 million in receipts and \$6.4 million in disbursements; compared to \$5.0 million and \$4.3 million respectively in the prior year.

Attachment 2, "Unrestricted Cash Status Comparison", illustrates the amount of unrestricted cash that is available to support the Association's day-to-day operations. The unrestricted cash balance at May 31, 2003 was \$1.6 million. This table also illustrates the unrestricted cash status of prior months and fiscal years for comparison. The balance fluctuates based on the timing of when revenues are received and payments made.

Attachment 3, "Cash Flow Summary", shows the receipts and disbursements during the month and their impact on working capital. In addition, this exhibit also compares the current month to the same month in the prior year and the current year-to-date period to the same period last year with variance amounts and the percentage variations.

Budget and Expenses

Please find on the following page the Association's FY 2002-03 budget for the Overall Work Program (OWP) and General Fund along with the May monthly expenses, year-to-date expenses and remaining budget. For illustrative purposes, there are also columns that show the percent of budget utilized compared with the percent of time elapsed (eleven months out of twelve or 92%).

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Table 1. Overall Work Program

Description	Adopted Budget	Current Month Expenses	Y-T-D Expenses	Budget Balance Remaining	Budget Percent Used	Time Percent Used
STAFF	\$5,487,192	\$437,784	\$4,375,262	\$1,111,930	80%	92%
FRINGE BURDEN	2,516,563	236,715	2,212,258	304,305	88%	92%
INDIRECT COSTS	8,453,038	707,011	6,905,037	1,548,001	82%	92%
SCAG CONSULTANT	13,608,108	1,036,778	4,244,699	9,363,409	32%	92%
SUBREGIONAL CONSULTANT	2,723,954	92,942	715,048	2,008,906	27%	92%
SUBREGIONAL STAFF	2,080,850	197,880	281,895	1,798,955	14%	92%
THIRD PARTY CONTRIBUTIONS	2,255,768	37,723	129,222	2,126,546	6%	92%
OTHER	608,445	60,327	241,526	366,919	40%	92%
TOTAL	\$37,733,918	\$2,807,160	\$19,104,947	\$18,628,971	50%	92%

Each fiscal year it is typical that consultants and subregional expenses are lower during the early part of the year and accelerate at the end of the year. To illustrate, through May of the prior year these expenses were approximately \$9.8 million and increased to \$16.1 million as of June 30, 2002, an increase of \$6.3 million or about 65%. This year, however, the year to date expenses of \$5.2 million is lower than the prior year. If the increase as of June 30, 2003 is about the same percentage increase as last year the amount could be about \$8.6 million.

Table 2. General Fund

Description	Adopted Budget	Current Month Expenses	Y-T-D Expenses	Budget Balance Remaining	Budget Percent Used	Time Percent Used
LEGAL	\$450,000	35,311	\$63,148	\$422,163	14%	92%
PROFESSIONAL SERVICES	320,000	32,307	253,197	99,109	80%	92%
LEASEHOLD IMPROVEMENTS	25,000	0	0	25,000	0%	92%
RC/COMMITTEE MEETINGS	50,000	2,474	22,357	30,017	45%	92%
MISCELLANEOUS OTHER	119,308	0	325	119,083	10%	92%
UCLA Symposium	5,000	0	5,000	0	10%	92%
NARC Freight Summit	3,000	0	3,000	0	10%	92%
So Cal Leadership	8,000	0	7,750	250	97%	92%
AMPO Board expense	4,692	0	916	3,776	20%	92%
STIPEND-RC MTG	125,000	11,959	121,367	15,592	97%	92%
INTEREST	150,000	43,850	116,675	33,507	78%	92%
CALTRANS RAPID PAY	100,000	6,500	114,205	(14,205)	114%	92%
TRAVEL	30,000	1,598	13,591	18,707	46%	92%
EXTRAORDINARY DISALLOWANCE*	0	380,745	380,745	(380,745)	NA	92%
TOTAL	\$1,390,000	\$514,744	\$1,102,276	\$287,724	80%	92%

* See footnote on following page.

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Footnote

* In December 2002, Caltrans completed their evaluation of SCAG's Indirect Cost Allocation Plan (ICAP) for the fiscal year ending June 30, 2002, as well as a preaward evaluation of the accounting system and system of internal controls. In the evaluation, Caltrans recalculated the amount of carry forward eligible to be applied to the ICAP in fiscal year 2002 and 2003. The amount of \$380,745 shown as "Extraordinary Disallowance", represents the FY03 loss to SCAG because of the recalculation. A Policies and Procedures Accounting Manual has been approved by management and it includes guidance on the preparation of the ICAP and identifies allowable and unallowable costs by referencing OMB A-87. The corrected carry forward amounts have been used in the ICAP submitted to Caltrans for FY03.



Attachment 3

Cash Flow Summary

Categories	May 2003	May 2002	Variance \$	Variance %	July 1, 2002 To Date	July 1, 2001 To Date	Variance \$	Variance %
Working Capital Beginning of Period:	\$ 1,475,079	\$ 230,240	\$ 1,244,839	541%	\$ 1,202,431	\$ 2,231,815	\$ (1,029,384)	-46%
Receipts:			-					
Grants	4,030,187	2,720,799	1,309,388	48%	28,167,998	32,293,483	(4,125,485)	-13%
TDA	-	-	-	0%	1,000,000	1,000,000	0	0%
Membership Dues *	147,585	82,962	64,623	0%	1,095,640	1,059,786	35,854	3%
LOC Draws	2,319,000	2,215,500	103,500	5%	22,861,500	22,201,000	660,500	3%
Miscellaneous	11,694	18,287	(6,593)	-36%	601,574	1,458,835	(857,261)	-59%
	-	-	-					
Total Receipts	6,508,466	5,037,548	1,470,918	29%	53,726,712	58,013,104	(4,286,392)	-7%
Disbursements:								
Total Disbursements	2,722,289	3,194,832	(472,543)	-15%	30,891,680	36,134,963	(5,243,283)	-15%
LOC Payments	3,687,170	1,068,209	2,618,961	245%	22,463,377	23,105,209	(641,832)	-3%
	-	-	-					
Total Disbursements	6,409,459	4,263,041	2,146,418	50%	53,355,057	59,240,172	(5,885,115)	-10%
Working Capital End of Period:								
	\$ 1,574,086	\$ 1,004,747	\$ 569,339	57%	\$ 1,574,086	\$ 1,004,747	\$ 569,339	57%

* The July 1, 2002 To Date Membership Dues includes \$162,588 for FY04. The remaining balance are dues received for FY03.

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DATE: July 31, 2003
TO: Administration Committee and Regional Council
FROM: Bert Becker, Chief Financial Officer
(213) 236-1960, becker@scag.ca.gov
RE: Monthly Financial Report June 2003



Information Only

Summary: Monthly financial report for June 2003.

Background: This report contains financial data related to SCAG's cash flow, as well as preliminary budget and expense data as of June 30, 2003. This report is preliminary because June 30 is the end of our Fiscal Year and the accounting will remain open to record financial transactions until the end of July.

Cash Flow

During June 2003, the Association received Line of Credit advances of \$1,701,500 compared to \$1,862,000 in the prior year. At June 30, 2003, the LOC liability was \$2,841,500 compared to \$3,052,000 in the prior year, a decrease of \$210,500.

Attachment 1, "Cash Receipts & Disbursements", graphically illustrates the results of cash receipts and disbursements. During June 2003 there were \$3.3 million in receipts and \$4.0 million in disbursements; compared to \$5.1 million and \$5.1 million respectively in the prior year.

Attachment 2, "Unrestricted Cash Status Comparison", illustrates the amount of unrestricted cash that is available to support the Association's day-to-day operations. The unrestricted cash balance at June 30, 2003 was about \$0.9 million.. This table also illustrates the unrestricted cash status of prior months and fiscal years for comparison. The balance fluctuates based on the timing of when revenues are received and payments made.

Attachment 3, "Cash Flow Summary", shows the receipts and disbursements during the month and their impact on working capital. In addition, this exhibit also compares the current month to the same month in the prior year and the current year-to-date period to the same period last year with variance amounts and the percentage variations.

Budget and Expenses

Please find on the following page the Association's FY 2002-03 budget for the Overall Work Program (OWP) and General Fund along with the preliminary monthly and year-to-date expenses and remaining budget. For illustrative purposes, there are also columns that show the percent of budget utilized compared to the 100% time elapsed for the full fiscal year.

MEMO

Table 1. Overall Work Program

Description	Adopted Budget	Current Month Expenses	Y-T-D Expenses	Budget Balance Remaining	Budget Percent Used	Time Percent Used
STAFF	\$5,487,192	\$617,623	\$4,992,884	\$494,308	91%	100%
FRINGE BURDEN	2,516,563	288,375	2,500,633	15,930	99%	100%
INDIRECT COSTS	8,453,038	949,667	7,854,704	598,334	93%	100%
SCAG CONSULTANT	13,608,108	651,542	4,896,241	8,711,867	36%	100%
SUBREGIONAL CONSULTANT	2,723,954	80,686	795,734	1,928,520	30%	100%
SUBREGIONAL STAFF	2,080,850	10,924	292,819	1,788,031	14%	100%
THIRD PARTY CONTRIBUTIONS	2,255,768	11,260	140,482	2,115,286	7%	100%
OTHER	608,445	9,899	251,426	357,019	42%	100%
TOTAL	\$37,733,918	\$2,619,976	\$21,724,923	\$16,008,995	58%	100%

Each fiscal year it is typical that consultants and subregional expenses are lower during the early part of the year and accelerate at the end of the year. To illustrate, through June of the prior year these preliminary expenses were approximately \$10.7 million and increased to \$16.1 million in the final year end close out, an increase of \$5.4 million or about 51%. This year, however, the preliminary year to date expenses of \$6.0 million are lower than the prior year. If the final expenses come in at about the same rate as last year, the final expenses for consultants and subregions could be about \$9.0 million.

Table 2. General Fund

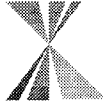
Description	Adopted Budget	Current Month Expenses	Y-T-D Expenses	Budget Balance Remaining	Budget Percent Used	Time Percent Used
LEGAL	\$450,000	\$54,554	\$117,702	\$332,298	27%	100%
PROFESSIONAL SERVICES	320,000	10,439	263,636	56,364	83%	100%
LEASEHOLD IMPROVEMENTS	25,000	0	0	25,000	0%	100%
RC/COMMITTEE MEETINGS	50,000	8,041	30,398	19,602	61%	100%
MISCELLANEOUS OTHER	119,308	0	325	118,983	1%	100%
UCLA Symposium	5,000	0	5,000	0	100%	100%
NARC Freight Summit	3,000	0	3,000	0	100%	100%
So Cal Leadership	8,000	0	7,750	250	97%	100%
AMPO Board expense	4,692	0	916	3,776	20%	100%
STIPEND-RC MTG	125,000	9,990	131,357	(6,357)	105%	100%
INTEREST	150,000	8,670	125,344	24,656	84%	100%
CALTRANS RAPID PAY	100,000	6,500	120,705	(20,705)	121%	100%
TRAVEL	30,000	1,455	15,046	14,954	51%	100%
EXTRAORDINARY DISALLOWANCE*	0	0	380,745	(380,745)	NA	100%
TOTAL	\$1,390,000	\$99,649	\$1,201,924	\$188,076	87%	100%

* See footnote on following page.

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Footnote

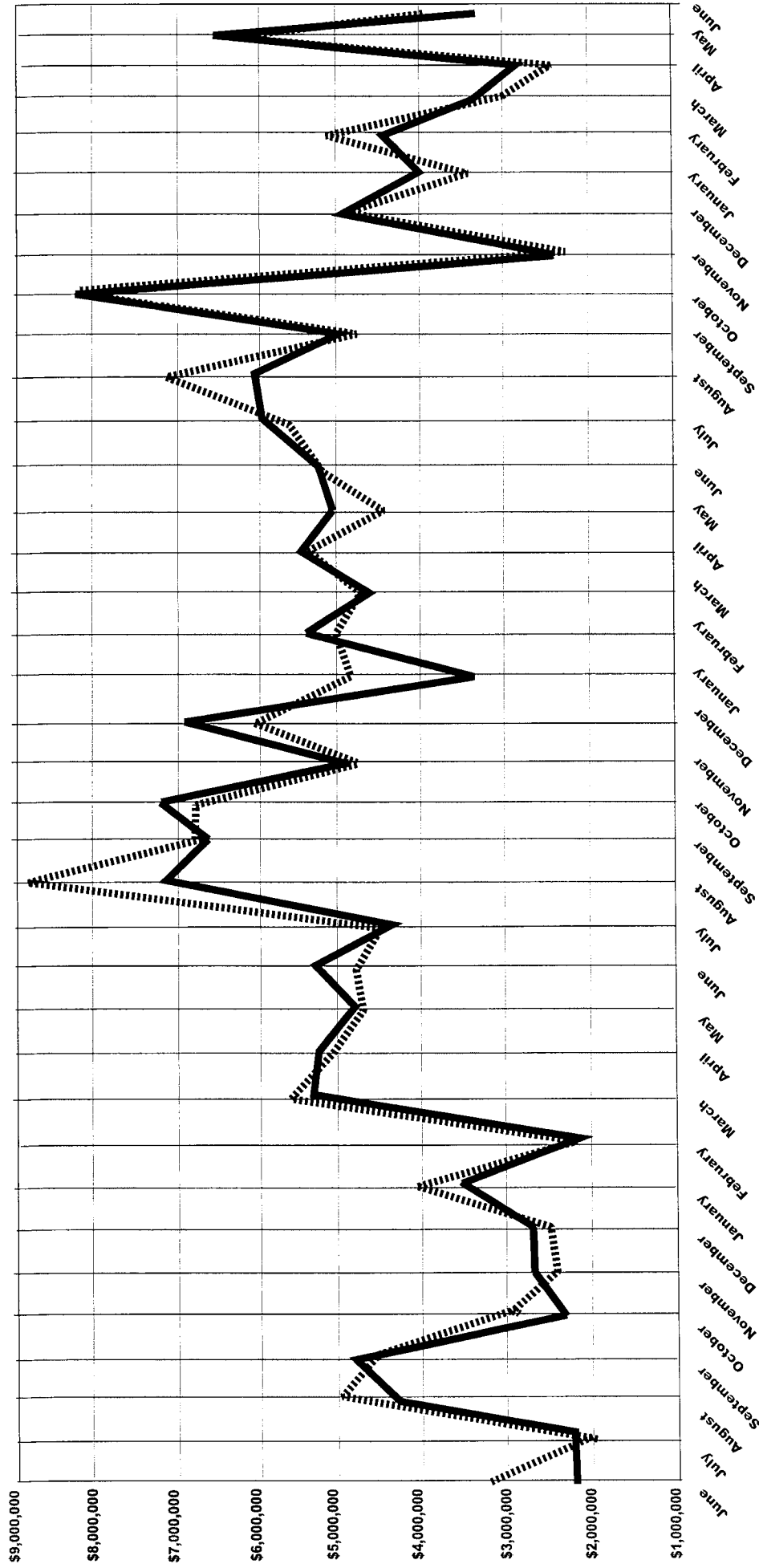
* In December 2002, Caltrans completed their evaluation of SCAG's Indirect Cost Allocation Plan (ICAP) for the fiscal year ending June 30, 2002, as well as a preaward evaluation of the accounting system and system of internal controls. In the evaluation, Caltrans recalculated the amount of carry forward eligible to be applied to the ICAP in fiscal year 2002 and 2003. The amount of \$380,745 shown as "Extraordinary Disallowance", represents the FY03 loss to SCAG because of the recalculation. A Policies and Procedures Accounting Manual has been approved by management and it includes guidance on the preparation of the ICAP and identifies allowable and unallowable costs by referencing OMB A-87. The corrected carry forward amounts have been used in the ICAP submitted to Caltrans for FY03.



SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS

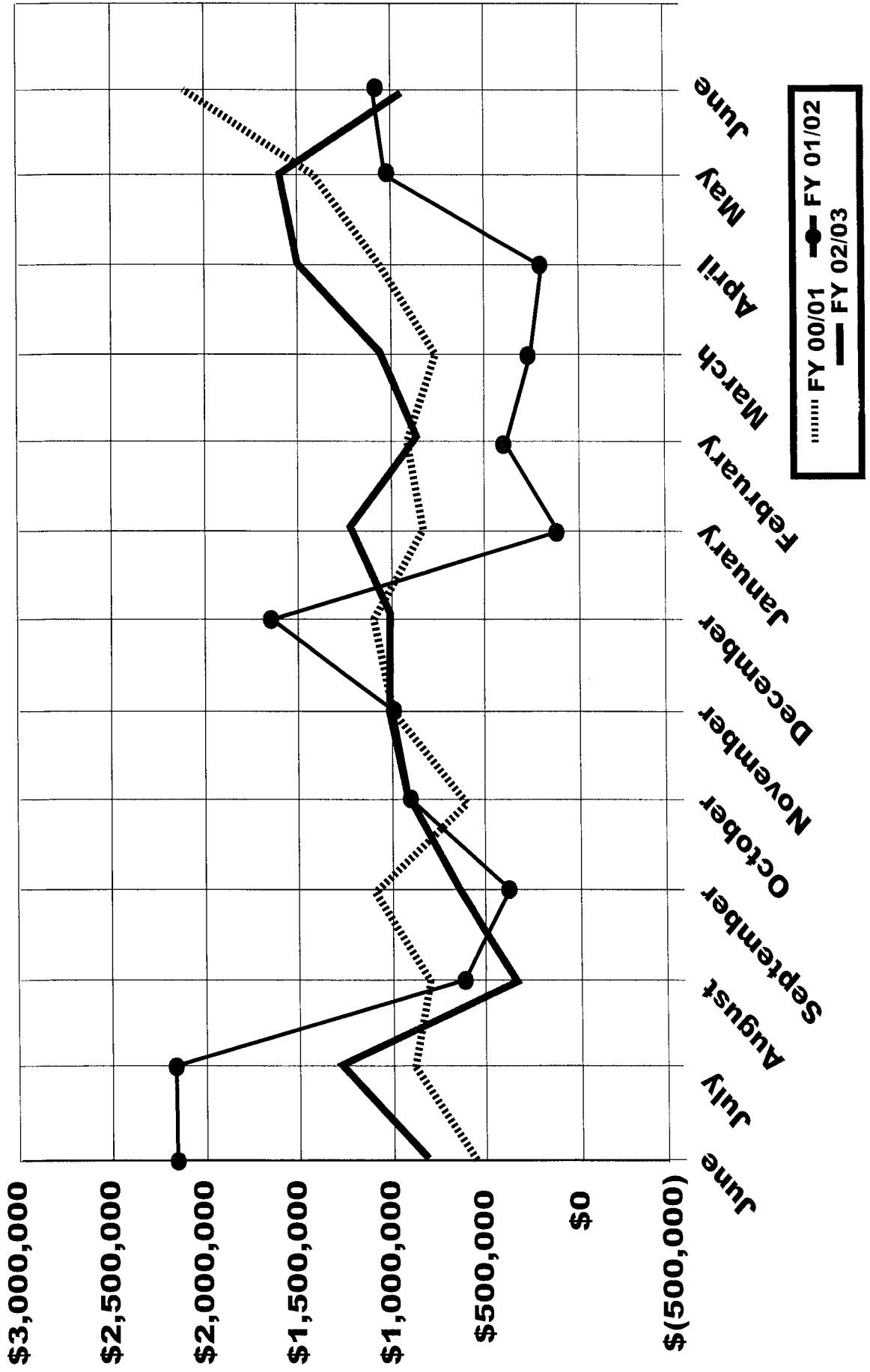
Cash Receipts & Disbursements

FY 00/01, FY 01/02 and FY 02/03



Cash Receipts
Cash Disbursements

Unrestricted Cash Status Comparison



Attachment 3

Cash Flow Summary

Categories	June 2003	June 2002	Variance \$	Variance %	July 1, 2002 To Date	July 1, 2001 To Date	Variance \$	Variance %
Working Capital Beginning of Period:	\$ 1,574,086	\$ 1,004,747	\$ 569,339	57%	\$ 1,202,431	\$ 2,231,815	\$ (1,029,384)	-46%
Receipts:			-					
Grants	1,397,035	3,123,720	(1,726,685)	-55%	29,558,379	32,293,483	(2,735,104)	-8%
TDA	-	-	-	0%	1,000,000	1,000,000	0	0%
Membership Dues *	181,134	139,548	41,586	0%	1,276,774	1,059,786	216,988	20%
LOC Draws	1,701,500	1,862,000	(160,500)	-9%	24,563,000	22,201,000	2,362,000	11%
Miscellaneous	3,899	9,914	(6,015)	-61%	567,994	1,458,835	(890,841)	-61%
	-	-						
Total Receipts	3,283,568	5,135,182	(1,851,614)	-36%	56,966,147	58,013,104	(1,046,957)	-2%
Disbursements:								
Total Disbursements	2,792,043	3,523,980	(731,937)	-21%	33,639,590	36,045,421	(2,405,831)	-7%
LOC Payments	1,183,223	1,521,660	(338,437)	-22%	23,646,600	23,105,209	541,391	2%
	-	-						
Total Disbursements	3,975,266	5,045,640	(1,070,374)	-21%	57,286,190	59,150,630	(1,864,440)	-3%
Working Capital End of Period:								
	\$ 882,388	\$ 1,094,289	\$ (211,901)	-19%	\$ 882,388	\$ 1,094,289	\$ (211,901)	-19%

* The July 1, 2002 To Date Membership Dues includes \$343,722 for FY04. The remaining balance are dues received for FY03.